

UST Permit – To – Operate
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After a four-year hiatus, WE'RE BACK. The Department of Commerce has re-instituted the permit renewal process after an extended period developing a new computer system. Some changes to the process will simplify the current and future task of permit renewal. We began mailing permit renewal applications in October and are already receiving a number of questions from owners.

A Permit-to-Operate (PTO) is required for all federally regulated underground storage tanks classified as "In use" or "Temporarily out of service" (TOS.) The PTOs will be issued for those systems that meet upgrade standards, comply with leak detection reporting and demonstrate adequate financial responsibility, much the same as previously required.

New Annual Permit Renewals The permit renewal process has been changed from a three-year permit to an annual permit. While it may appear that an annual renewal is more cumbersome, our experience with the three-year permits has demonstrated the opposite for two reasons. First, financial responsibility must be verified **annually**. Second, we found that changes in ownership and lost information occurred frequently during the three years resulting in problems with issuing permits in a timely manner. We expect to see fewer problems with locating accurate information when we request it on an annual basis.

Tank Consolidation Another major change in the permit renewal process is the consolidation of all tanks under one owner and with a single expiration date for all tanks (the 28th day of the month of expiration.)

The Process The permit renewal process begins 90 days before the current permit expires. Applications are bundled with all tanks belonging to a particular owner being mailed at the same time. This common application process results in one date of expiration for all tanks under one ownership. Owners need to complete all permit applications and return them to Commerce in time for review and entry into the database **prior to expiration of the current permit**.

Here's what owners can expect: each mailing consists of a cover letter to the owner and an application for each tank belonging to that owner. The cover letter gives directions for completion consisting of five steps to be followed by the owner.

1. Owner information verification Owners review information and clear up discrepancies. This saves time and eliminates having to complete a new registration form for each tank system.
2. Leak detection verification – This process has not changed. Owners must review the information, complete the backside of the Use Permit Application and provide the leak detection documentation required. This documentation required for leak detection is described on the application (either the most recent 12 months or most recent 3 months depending upon the method.)

Although owners may have provided specific information relating to leak detection equipment installed, model, material approval and probe numbers on past applications, they will need to provide it again the first time they complete this new application process. Our new database has the capability to record and maintain this information for future use, but we were unable to retrieve much of the information from the old system. In the future, we will provide this information on all renewal applications. Owners will be responsible for reviewing the information for accuracy, and updating the record with any changes or upgrades to the equipment during the year.

3. Financial responsibility (FR) FR verification is something new for permits, although it has been required for in-use and TOS systems since the date these systems met the federal upgrade requirements. For some tank systems that may have been as early as December 1988, for others as late as December 1998. There may be some FR options available to tank owners, but FR documentation is required to be in place and verified before a Permit to Operate will be issued. [Note several articles have already been published in the Informer regarding the financial responsibility requirements and alternatives.]

Financial responsibility has been the most challenging part of the new permit process. Financial responsibility, a.k.a. "pollution insurance," ensures that the owner has financial backing to cover expenses for clean-up and third party liability. We have found that many owners of underground storage tanks do not have FR or an adequate mechanism in place to demonstrate financial responsibility. Some examples of reoccurring problems are:

- ◆ Owner confusion – some tank owners believe that the Petroleum Environmental Clean-up Fund (PECFA) will still provide coverage or don't understand that the FR requirement applies to newly upgraded systems.
 - ◆ Non qualifying documentation – our procedures require a very specific format and language to demonstrate FR coverage. Owners must follow these requirements without modification or the applications will not be accepted. Insufficient insurance coverage – many insurance policies provide general liability, but do not provide the specific pollution coverage for underground storage tanks. And some policies carry too little coverage or too high of a deductible. Owners should not wait until they receive the permit renewal applications to begin the search for pollution insurance. Many carriers of pollution insurance require an assessment of the property and business management prior to determining coverage.
4. Sign and return the permit applications. The owner's signature verifies that s/he has reviewed the information, agrees with information the department has previously recorded or has made the necessary corrections on the application. Returning the completed permit application to the department along with all other required documentation is the final step to ensure the issuance of Permit(s) to Operate.

A timely response is important! Any tank system that does not have a Permit to Operate on the expiration date can not legally operate until the permit is obtained and will likely be red-tagged. Please note that the permit expiration date is not negotiable and cannot be extended.

The permit renewal process is a 90-day period designed to give both the owner and Commerce adequate time to furnish information and respond accordingly. In a situation where the tank owner does not provide adequate information on the renewal application, permit staff will contact the owner detailing what is needed. But it is the tank owner's responsibility to provide the specific information in a timely manner in order for the permit staff to complete the review and qualify the tank system for a permit. Protect yourself, and your business and insure the issuance of your tank Permits to Operate by fully completing and returning the permit applications on time. Developing a record-keeping management plan will provide you with an expedient means to pull together the information required in response the renewal application and save you from problems when your permit is due to expire.

If you have questions about the permit process, you can contact me, Karine Aslakson, at (608) 267-1384.